Finsbury Growth & Income Trust PLC

Portfolio Manager

Nick Train

LINDSELL TRAIN

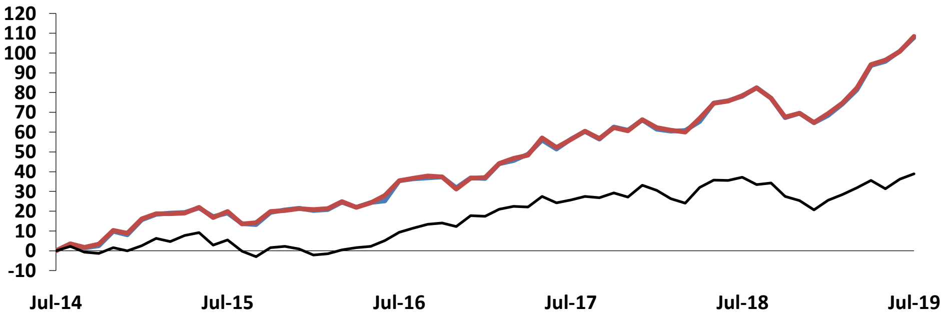
Fund Information as at 31 July 2019 www.finsburygt.com @FinsburyGT

Investment Objective and Benchmark Index

Finsbury Growth & Income Trust PLC invests principally in the securities of UK listed companies with the objective of achieving capital and income growth and providing a total return in excess of that of its benchmark, the FTSE All-Share Index (net dividends reinvested).

Five Years Performance (%)

Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as arise and is not guaranteed; An investor may receive back less than the original amount invested.



Net Asset Value per share (total return) +108.4%
Share Price (total return) +107.8%
Benchmark: FTSE All-Share Index (net dividends reinvested) +39.0%
Source: Morningstar

Commentary

In July, the NAV was up 3.8% on a total return basis and the share price was up 3.4%, on a total return basis, while the index was up 2.0%.

July turned out to be quite a busy month, with updates incoming from many stocks in your portfolio. Each however was eclipsed by the London Stock Exchange's announced intention to buy Reuters' financial and risk business, Refinitiv, in a deal valued at $27bn. If sanctioned, the match will more than double the company's enterprise value ('EV') and create the world's largest listed financial markets infrastructure company; with Refinitiv's current owners (principally the Thompson family and Blackstone private equity) attaining a 37% stake in the new group. At just over four times EV/sales, the price looks good compared to other quoted data assets and the deal has so far earned applause from both the media and the market - with LSE's shares up 24% in the days since news was leaked.

So why attempt the deal (LSE's biggest ever) and why has it been so well received? Refinitiv owns a number of important financial platforms, with FXall and its 54% majority stake in Tradeweb being the clearest complements to the London exchange. Both are market leading, electronic over-the-counter (OTC) trading venues - the former for dealer-to-customer currencies, the latter for treasuries, rate, and other credit derivatives. Akin to LSE's existing marketplace businesses, these benefit from high volumes and deep pools of liquidity. This leads to a virtuous cycle, whereby more flow begets more liquidity and utility, attracting more participants and even more flow. Surrounding all this is a halo of correspondent data, which becomes more useful the more of it there is. These self-reinforcing network effects have always been central to our thesis for LSE. By increasing the group's exposure to currencies and fixed income (two of the world's biggest asset classes) LSE is also furthering long-held strategic ambitions, positioning it nicely for the ongoing electronification of OTC trading.

In addition to these more obvious fits, Refinitiv's highest profile component is the Reuters Eikon desktop terminal, which as a distribution channel (sticky and stable though it is) plays second fiddle to Bloomberg. Why buy this? Well here it's really a data, or more exactly a data platform story. The Eikon terminal is just one aspect of Refinitiv's data distribution capabilities, which sit on an infrastructure platform that's taken many years and many billions of dollars to build. The platform integrates the (often proprietary) datasets, overlays functionality and pipes the result directly into the workflow of Refinitiv's globally dispersed customer base. LSE's existing market and index data offerings (e.g. FTSE-Russell) will join this aggregate flow, as might any newly acquired feeds. With the participation of new partners (unlike Bloomberg, Reuters host third party data) and LSE's open access philosophy helping to strengthen the collaborative model with the sell-side, the platform should become ever more valuable. This combined data-plus-analytics-plus-distribution platform will be a key asset for LSE and a hard thing for a new competitor (pre-deal LSE included) to replicate.

The commentary continues on page 3.

Biography

Nick Train began his career as an Investment Manager at GT Management in 1981, having graduated from Queen's College, Oxford with a second class honors in Modern History (1977-1980). He left GT in June 1998, after 17 years, on its acquisition by INVESCO. At his resignation he was a Director of GT Management (London), Investment Director of GT Unit Managers and Chief Investment Officer for Pan-Europe. He joined M&G in September 1998, as a Director of M&G Investment Management. In June 1999 he was appointed as Head of Global Equities at M&G. He left M&G in April 2000 to co-found Lindsell Train Limited. He is investment adviser to the Worshipful Company of Saddlers.

Portfolio Manager Profile

Portfolio management services are provided by Lindsell Train Limited (Lindsell Train). Lindsell Train was formed in December 2000. However the principals, Michael Lindsell and Nick Train had worked together at GT Management from 1992 through to GT's takeover by INVESCO in 1998. Both Michael Lindsell and Nick Train went on to fulfill senior roles at INVESCO and M&G PLC respectively, where they continued to develop an in depth knowledge of investment processes and the world's stock markets. Their shared investment philosophy is to invest in durable, cash generative businesses that are under-priced on their valuation analysis. They believe such businesses are rare and are under-valued by most other investors most of the time. They apply this approach by choosing a concentrated portfolio of approximately 30 stocks with the intention of holding them for the medium to long term. Lindsell Train is authorised and regulated by the Financial Conduct Authority.

Investment Policy

The Company has a concentrated portfolio of up to 30 stocks with a low turnover, and aims to provide shareholders with a total return in excess of that of the FTSE All-Share Index. The Portfolio Manager uses a bottom-up stock picking approach and looks to invest in a universe of excellent listed companies that appear mostly undervalued. Up to 20% of the portfolio, at the time of acquisition, can be invested in quoted companies outside the UK. The Company's policy is to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

Discount/ Premium Control Mechanism

The Directors have adopted an active discount management policy to establish and support an improved rating in the Company's shares through the use of share buybacks, with a view to limiting the discount to NAV per share at which the shares trade to no more than 5%. Shares bought back may be held in treasury for reissue at later dates at no more than the discount at which they were purchased, and in any event at a discount no greater than 5% to the prevailing net asset value per share. In order to stop the share price trading at a significant premium to the NAV per share, the Company has the ability to issue new shares at a 0.7% premium to the higher of the cum or ex income NAV per share.

Finsbury Growth & Income Trust PLC conducts its affairs so that its shares can be recommended by independent financial advisers ("IFAs") to retail private investors. The shares are excluded from the Financial Conduct Authority's ("FCA's") restrictions which apply to non-mainstream investment products because they are shares in a UK-listed investment trust.

Ten Largest Holdings as at 31 July 2019 (% of total investments)

Name	Sector	Total
RELX	Consumer Services	10.1
Diageo	Consumer Goods	9.9
Unilever	Consumer Goods	9.8
London Stock Exchange	Financials	9.6
Mondelez Int.	Consumer Goods	8.6
Burberry Group	Consumer Goods	8.5
Hargreaves Lansdown	Financials	7.7
Schroders	Financials	7.1
Sage Group	Technology	5.9
Heineken	Consumer Goods	5.5
Total		**82.7**

Sector Breakdown as at 31 July 2019 (%)

Consumer Goods	47.9
Financials	26.7
Consumer Services	19.5
Technology	5.9
Total	**100.0**

Discrete Performance – Calendar Years (%)

Percentage Growth 12 Month Return	2014	2015	2016	2017	2018	YTD
NAV	6.9	11.6	12.5	21.7	-0.8	26.4
Share Price	5.9	12.4	12.6	21.5	-0.9	26.2
Index	1.2	1.0	16.8	13.1	-9.5	15.2

Standardised Discrete Performance (%)

Percentage Growth 12 Month Return	Jul 14-Jul 15	Jul 15-Jul 16	Jul 16-Jul 17	Jul 17-Jul 18	Jul 18-Jul 19
NAV	19.9	12.9	15.4	14.2	16.8
Share Price	19.1	13.6	15.6	13.9	16.6
Index	5.4	3.8	14.9	9.2	1.3

Source: Morningstar.
* Index source: FTSE International Limited ("FTSE") © FTSE 2019
Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed; an investor may receive back less than the original amount invested.

Risk Warnings

This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Company and has not been prepared in connection with any such offer or invitation. Before investing in the Company, or any other investment product, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.

Any return you receive depends on future market performance and is uncertain. The Company does not seek any protection from future market performance so you could lose some or all of your investment. Shares of the Company are bought and sold on the London Stock Exchange (LSE). The price you pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company. Usually, at any given time, the price you pay for a share will be higher than the price you could sell it. For further information on the principal risks the Company is exposed to please refer to the Company's Annual Report or Investor Disclosure Document available at www.finsburygt.com.

The Company can borrow to purchase investments, this could potentially magnify any losses or gains made by the Company.

Important Information

Finsbury Growth & Income Trust PLC (the Company) is a public limited company whose shares are premium listed on the LSE and is registered with HMRC as an investment trust.

The Company has an indeterminate life.

This financial promotion is issued by Frostrow Capital LLP which is authorised and regulated by the Financial Conduct Authority ("FCA").

www.finsburygt.com **@FinsburyGT**

Fast Facts

As at 31 July 2019

Launch Date	1926
AIC Sector	UK Equity Income
Date of Appointment of Lindsell Train	December 2000
Annual Management Fee (payable by the company) †	
Ongoing charges*	0.7%
Year / interim end	30 September/ 31 March
Capital Structure	197,411,712 Ordinary shares of 25p

Trust Characteristics

Number of Holdings	23
Net Assets (£m)	£1,850.1m
Market Capitalisation (£m)	£1,857.6m
Dividend Per Share**	16.1p
Current Net Yield	1.7%
Gearing	1.0%
Leverage***	Gross 101.0% Commitment 101.9%
Share Price (p)	941.00
NAV (p) (cum income)	937.19
Premium / (Discount) to NAV (p)	0.4%

Codes

Sedol	0781606
ISIN	GB0007816068
Legal Entity Identifier (LEI)	213800NN4ZKX2LG1GQ40
Global Intermediary Identification Number (GIIN)	QH4BH0.99999.SL.826
Bloomberg	FGT LN
EPIC	FGT

**Calculated at the financial year end, includes management fees and all other operating expenses.*
***2nd Interim paid 9 Nov 18 :(Year ended Sep 18) 8.1p*
1st Interim payable 16 May 19 :(Year ended Sep 19) 8.0p
****The Board has set the leverage limit for both the Gross and the Commitment basis at 125% of the Company's Net Asset Value.*
†Lindsell Train – 0.45% of the market capitalisation of the company that is equal to or less than £1billion, 0.405% in excess of £1 billion.
Frostrow – 0.15% of the market capitalisation of the company that is equal to or less than £1billion, 0.135% in excess of £1 billion.

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Continued from page 1..

If we have a concern about these wide-moat marketplace businesses, it's how they manage the transition from regional semi-monopolies to relevant global enterprises - an increasingly important question as customers and liquidity pools globalise. Happily, Refinitiv helps address this as well, with North American and EM derived revenues more than double those sourced from Europe - a contrast to the UK-centric LSE where these weightings are reversed. Less happily, Refinitiv brings with it a big chunk of debt; but this is the only obvious blemish on a pairing that seems remarkably concinnous. Whilst we're cautious of being overly effusive (there are still nuances to understand, not least detail on the proposed revenue synergies), it's no wonder the initial reaction has been positive.

Much of the surrounding media commentary has noted LSE's venerability; in a cut-throat business environment where survivability is low, LSE's purported lifespan of 'over three hundred years old' seems exceptional. Often such claims are hyperbole but in the LSE's case it holds water with a clear corporate lineage stretching back to the informal trading venues (most famously Jonathan's Coffee House) of late 17th century London. The company only demutualised in 2000 but has performed spectacularly well since then, growing its dividend at over 18% per annum - a hard enough rate to sustain for even a couple of years, let alone 18. This has translated into stock returns capable of outshining even the brightest tech stars. Since May 2012, when Facebook (the youngest of the FAANGs) listed, LSE's total local-currency return has annualised at just shy of 36% pa; delivering a nine-fold gain that's outpaced Apple, Google, Facebook, Microsoft and now even Amazon. Not bad for a spritely three-hundred-and-something year old, setting out on its own data-driven journey.

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